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PSI licensure:certification 3210 E Tropicana Las Vegas, NV 89121 www.psiexams.com 1-800-733-9267

LOUISIANA OFFICE OF FINANCIAL INSTITUTIONS

RESIDENTIAL MORTGAGE LOAN ORIGINATOR EXAMINATION CANDIDATE INFORMATION BULLETIN

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Introduction

Background

This bulletin provides you with information about the license examination and application process for becoming licensed as a Residential Mortgage Loan Originator in the state of Louisiana. Applicants for a license must pass an examination that tests their competency to act as a Residential Mortgage Loan Originator in a manner that protects the interests of the public, unless applicants' education and experience qualify them for licensure without examination

The Louisiana Office of Financial Institutions has contracted with PSI Examination Services (PSI) to conduct its examination program. PSI works closely with the Office of Financial Institutions and its Examination Review Committee to be certain that examinations meet local requirements and test development standards.

Questions about license applications should be directed to:

Office of Financial Institutions 8660 United Plaza Blvd., 2nd Floor Baton Rouge, Louisiana 70809 www.ofi.state.la.us (225) 925-4660 (225) 925-4548 Fax

Questions and requests for information about the examinations should be directed to:

PSI licensure:certification 3210 E Tropicana Las Vegas, NV 89121 www.psiexams.com (800) 733-9267 (800) 735-2929 TTY (702) 932-2666 Fax

LICENSE REQUIREMENTS & QUALIFICATIONS

The Residential Mortgage Lending Act ("RMLA") LSA-R.S. 6:1081 et seq. passed in the 1999 Louisiana Legislative session and was signed into law on July 9, 1999. The act governs residential mortgage lending activity pertaining to immovable property bcated in Louisiana. It provides for licensure of mortgage brokers, lenders and originators. The purpose of the RMLA is to promote the safety and welfare of the people of the state by providing for regulatory oversight and by establishing education requirements in a professional field in which unqualified individuals may injure or mislead the public.

Effective January 1, 2000, anyone who engages in residential mortgage lending activities including mortgage lenders, brokers and originators must be licensed.

Anyone who originates mortgage loans, either as an independent lender or as an employee of a mortgage lender or mortgage broker, must be licensed as a loan originator. An originator, as defined in LSA-R.S.6:1083(6)A, means a natural person who interviews the consumer in connection with the consumer's application for a residential mortgage loan and signs the loan application on behalf of a mortgage broker or mortgage lender. Originator does not include persons performing clerical duties in connection with residential loan transactions who are employees of a person licensed as a mortgage broker or mortgage lender or who are exempt from licensure under the provisions of this Part.

No person, directly or indirectly, shall engage in a residential mortgage lending activity in Louisiana without complying with the provisions of the Residential Mortgage Lending Act or the rules or regulations promulgated pursuant thereunder. Unless specifically exempt from the licensing provisions in certain sections, any person who engages in "residential mortgage lending activity" in connection with real estate located in Louisiana, must obtain a residential mortgage lender license, an exempt registration statement, or an originator license.

There are several exemptions available. They are detailed in Section 1087 of the RMLA. If you believe one of the exemptions is applicable to your activity, contact OFI for verification.

No license shall be issued unless the commissioner, upon investigation, finds that the financial responsibility, character, and fitness of the owners, directors, partners, managers, or other persons who directly or indirectly exercise a controlling influence over the management or the policies of the applicant are such as to warrant a belief that the business will be conducted honestly and fairly within the purposes of the RMLA.

An originator must be employed by a licensed or exempt

mortgage lender and/or broker.

Beginning August 15, 2005, all Originator applicants must pass a written comprehensive test approved by the commissioner prior to applying for a license, unless they are qualified for licensure without examination under the provisions of R.S. 6: 1094(B). Thereafter, all licensees must complete 10 hours of professional education courses approved by the commissioner annually to renew their licenses.

TIPS FOR PREPARING FOR YOUR LICENSE EXAMINATION

The following suggestions will help you prepare for your exam. Planned preparation increases your likelihood of passing.

- Use the exam content outlines provided in this bulletin as the basis of your study. The outline itself is a study tool because it can familiarize you with the exam.
- Learn the major points associated with each outline topic.
- Select study materials that cover all the topics in the content outline.
- ◆ Take notes on what you study. Putting information in writing helps you commit it to memory. Underline or highlight key ideas that will help with a later review.
- Read the study materials, making sure you understand each idea before going on to another.
- ♦ Check off each topic from the outline when you feel you have an adequate understanding. Plan to take your test when all topics have been checked.
- Discuss new terms or concepts as frequently as you can with colleagues. This will test your understanding and reinforce ideas.
- ◆ Your studies will be most effective if you study frequently, for periods of about 45 to 60 minutes. Concentration tends to decrease when you study for longer periods of time.

EXAMINATION STUDY MATERIALS

The following is a list of possible study materials for the Loan Originator examination. The list is given to identify resources and does not constitute an endorsement by PSI or by the Louisiana Office of Financial Institutions.

- ◆ Residential Mortgage Lending Act.- www.ofi.state.la.us
- ♦ Residential Mortgage Lending Act Frequently Asked Questions. www.ofi.state.la.us/rmlfaq.htm
- ♦ OFI Applicant Instructions. www.ofi.state.la.us
- ♦ OFI Record Retention Policy. www.ofi.state.la.us
- ◆ Galaty, Fillmore W., Allaway, Wellington J., & Kyle, Robert C. (2003). *Modern Real Estate Practice (16th ed.)*. Chicago, IL: Real Estate Education Co.

- Sirota, David. (1998) Essentials of Real Estate Finance (9th ed.). Chicago, IL: Real Estate Education Co.
- ♦ Federal laws related to mortgage lending can be found through the following web links:

http://www.fdic.gov/regulations/laws/rules/index.html

http://www.hud.gov

http://www.fanniemae.com/index.jhtml

http://www.ginniemae.gov

http://www.freddiemac.com

DESCRIPTION OF EXAMINATION & EXAMINATION CONTENT OUTLINE

The Examination Content Outline has been approved by the Office of Financial Institutions. This outline reflects the minimum knowledge required by residential mortgage loan originator professionals to perform their duties to the public in a competent and responsible manner. Changes in the examination content outline will be preceded by changes in this published examination content outline.

Use the outline as the basis of your study. The outline lists all of the topics that are on the test and the number of items for each topic. Do not schedule your examination until you are familiar with all the topics in the outline.

The Loan Originator examination has 100 questions and you will have 180 minutes to complete the examination.

A Louisiana Residential Mortgage Lending Act (24 Items)

- Powers and Duties of Commissioner
- ♦ Licensing Requirements
- ♦ Acts Requiring License; Exemptions
- ♦ License Expiration / Renewal; Continuing Education
- ♦ Prohibited Acts; Civil and Criminal Penalties
- Permitted and Prohibited Fees Charged to Borrowers
- ♦ Loan Origination Agreements
- ♦ Record-keeping Requirements

B. Federal Laws (30 Items)

- ♦ RESPA (Real Estate Settlement Procedures Act)
- ♦ TIL/Reg Z (Truth in Lending)
- ♦ ECOA (Equal Credit Opportunity Act)
- ♦ FCRA (Federal Credit Reporting Act)
- ◆ Table Funding and Aggregate Accounting

C. General Concepts 36 Items)

- Lending Principles and Terminology
- ◆ Types of Loans (including FHA/VA Programs)
- ♦ Nongovernment Sources of Funding
- Secondary Market Agencies
- ♦ Life Cycle of a Mortgage Loan
- ♦ Information Required on Loan Application
- ♦ Mortgages and Promissory Notes; Mortgage Clauses
- ♦ Sub-prime Lending (?)

D. **Lending Calculations** (10 Items)

- ♦ Loan-to-Value Ratios
- ♦ Points

- ♦ Payments
- ♦ Qualifying Buyers
- ♦ Interest Rates

Sample Questions

The following questions are offered as examples of the **types** of questions you will be asked on the examination. The examples do not represent the full range of content or difficulty levels in the actual examinations. They are intended to familiarize you with the types of questions you can expect to find in the examination. (*The answer key is found after question D.*)

- A. A RESPA violation will occur when the person paying for settlement services
 - 1. is required to pay for title insurance services required by the lender.
 - 2. is offered a list of settlement providers from which to choose.
 - 3. is required to use a particular Affiliated Business Arrangement provider of services.
 - 4. pays for services of the originator who processes the loan.
- B. If the value of a property is \$225,000 and the mortgage is paid down to \$79,000, what is the owner's equity in the property?
 - 1. \$146,000
 - 2. \$156,000
 - 3. \$225,000
 - 4. \$254,000
- C. Which type of value is most relevant in determining property taxes?
 - 1. Depreciated value.
 - 2. Assessed value.
 - 3. Market value.
 - 4. Mortgage value.
- D. What State law governs residential mortgage loans in Louisiana?
 - 1. Real Estate Settlement Procedures Act.
 - 2. Residential Mortgage Lending Act.
 - 3. Alternative Mortgage Parity Transaction Act.
 - 4. Truth in Lending Act.

Answer Key		
A.	3	
B.	1	
C.	2	
D.	2	

REGISTRATION PROCEDURES

The registration form is found at the end of this bulletin. Be sure the registration form is complete, accurate, and signed and that you include all attachments and the correct fees. Your registration is valid for ONE examination only. You must first register for an exam and then schedule an appointment.

"Registering" and "Scheduling"

The examination process is completed in two steps:

Registering

- Candidate submits registration materials and fee to PSI
- ◆ PSI mails Confirmation Notice to candidate.

Scheduling

- ♦ Candidate receives Confirmation Notice from PSI.
- Candidate calls PSI to schedule a test appointment.

<u>Fees</u>

The registration fee for the Loan Originator examination is \$100. The fee is for <u>each</u> registration whether you are taking the test for the first time or repeating. Registration fees are not refundable or transferable.

Standard Mail Registration

 Complete the Exam Registration Form. IMPROPERLY COMPLETED FORMS WILL BE RETURNED TO YOU UNPROCESSED.

Return the completed original form to PSI. Payment of fees can be made by money order, company check, or cashier's check. Cashier's checks, company checks, and money orders should be made payable to PSI. Print your Social Security Number on your check or money order to ensure that your fees are properly assigned. CASH, PERSONAL CHECKS, AND CREDIT CARDS ARE NOT ACCEPTED FOR STANDARD MAIL REGISTRATION.

- Upon receipt of your completed form and fees, a
 Registration Confirmation Notice will be mailed to you.

 If your application or fees are not correct, we will
 return them to you immediately with instructions on
 correct application procedures.
- 3. Please allow two weeks to process your registration. If you do not receive your Confirmation Notice within two weeks, call (800) 733-9267 to verify your status.

Telephone Registration

For Telephone Registration, you will need a valid VISA or MasterCard. (The Automated Telephone System is available 24 hours a day, 7 days a week. However, only candidates who have previously registered with PSI may use the Automated Telephone System.)

- Complete the Exam Registration Form, including your credit card number and expiration date, so that you will be prepared with all of the information needed to register by telephone.
- Call 1800-733-9267, and register using the Automated Registration System. Otherwise, PSI registrars are available between 7:00 a.m. and 7:00 p.m. (Central Time) to take the information on your Registration Form and schedule your appointment.

Fax Registration

For Fax Registration, you will need a valid VISA or MasterCard. (Available 24 hours a day, 7 days a week.)

- 1. Complete the Exam Registration Form, including your credit card number and expiration date.
- 2. Fax the completed form to PSI at 702-932-2666. Express Fax Registrations are accepted 24 hours a day.
- 3. Please allow 4 business days to process your registration. After 4 business days, you may call PSI to schedule the examination(s), (800) 733-9267.

Internet Registration

The Examination Registration Form is available at PSI's website, www.psiexams.com You may register and schedule for an examination via the Internet 24 hours a day.

- Complete the registration form on line and send it to PSI via the Internet.
- 2. Upon completion of the online registration form, you will be given the available dates for scheduling your examination.

Walk-in Registration

Please note that no walk-in testing will be conducted under the current testing program. The availability of daily testing sessions allows great flexibility in scheduling a testing date, eliminating the need for walk-in testing. You must first register for an examination and then schedule an appointment by calling (800) 733-9267.

Social Security Number Confidentiality

PSI will use your Social Security Number only as an identification number in maintaining your record and reporting your test scores to the Louisiana Office of Financial Institutions. A federal law requires state agencies to collect and record the Social Security numbers of all licensees of the professions licensed by the state. If you elect not to disclose your Social Security number to PSI, please enclose a separate letter explaining this with your examination registration form. However, you MUST provide it to the Louisiana Office of Financial Institutions in order to be licensed.

Special Testing Arrangements

All exam centers are equipped to provide access in accordance with the Americans with Disabilities Act (ADA) of 1990. Applicants with disabilities or those who would otherwise have difficulty in taking the examination must contact PSI to make alternative arrangements. Every reasonable accommodation will be made in meeting a candidate's needs. Requests for any special accommodation must be submitted with the registration form. Candidates must specify the accommodation requested and provide supporting material from a licensed professional, documenting that the requested accommodation is needed. All letters from licensed professionals must be on official letterhead.

SCHEDULING PROCEDURES

Scheduling an Appointment

After you receive the confirmation notice of PSI's acceptance of your registration, you are responsible for calling PSI to schedule an appointment to take the examination. PSI will make every effort to schedule the test center location and time that is most convenient for you. To schedule your examination, call PSI at **1-800-733-9267**, 24 hours a day/7 days a week. (To speak to a Customer Service Representative, call Monday through Friday, 7:00am through 7:00pm CT). If space is available at the test center of your choice, you may schedule an examination up to two business days prior to the examination date of your choice. Please be prepared to offer alternative test appointment choices.

Canceling or Rescheduling an Appointment

You may cancel and reschedule an appointment without forfeiting your fee **if your notice is received two full business days before the scheduled testing date**. You may call (800-733-9267) or fax (702-932-2666) your notice to PSI.

Note: A voice mail message is not an acceptable form of cancellation. Please use the internet, automated telephone system, or call PSI and speak to a Customer Service Representative.

Missed Appointment or Late Cancellation

Your registration will be invalid, you will not be able to take the test as scheduled, and you will forfeit your examination fee, if you:

- Do not cancel your appointment 2 days before the scheduled testing date; or
- Do not appear for your examination appointment; or
- Arrive too late to begin your test without disrupting the center's schedule; or
- Do not present proper identification when you arrive for the examination.

Emergency Test Center Closing

In the event that inclement weather or other emergencies force the closure of a test center on an assigned test date, your examination will be rescheduled. You will be notified of the new date and time of the test. Every effort will be made to schedule a convenient time as soon as possible.

REPORTING FOR THE EXAMINATION

Testing Center Locations

The following are the test centers in Louisiana where you may take the Examinations. (Call 800-733-9267 to find about test centers outside of Louisiana.)

Metairie (New Orleans) Center

4405 North I-10 Service Road West, Suite 300 Metairie, LA

The test center is on the corner of Kingman and the service road running parallel to I-10 (on the north side) between the exits for Clearview Parkway and North Causeway Boulevard. Exit Clearview Parkway and proceed north past the Clearview Shopping Center. Turn right onto Veterans Memorial Boulevard. Turn right onto Kingman Street. Turn right onto the service road.

Baton Rouge Center

8338 Summa Avenue, #202 Baton Rouge, LA

From I-10, exit Essen Lane and proceed south approximately ½ mile. Turn left on Summa Avenue. The test center is on the corner of Summa and Everett. Parking in the rear.

Shreveport Center

Madison Square Park 3855 Gilbert Shreveport, LA

(need to be sure this is current test center location)

From 1-49, exit Kings Highway and proceed east approximately 1 mile. Turn

right on Gilbert and proceed south for approximately ³/₄ mile. The test center will be on the left.

Lake Charles Center

One Lakeside Plaza, Suite 813 Lake Charles, LA

From I-10, exit Enterprise Boulevard and proceed south approximately 1/2 mile. Turn right on Broad Street and proceed west approximately 3/4 mile. After Ryan St, turn left into the driveway of the plaza building before Lake Shore Drive. The main entrance is across Broad from Wendy's. The suite is on 8^{th} floor.

PSI has examination centers throughout the United States. You may take this examination at any of these locations by calling 1-800-733-9267. You will find these other locations at http://www.psiexams.com.

Reporting to the Test Center

On the day of the exam, you should arrive at least 30 minutes before your scheduled appointment. This extra time is for sign-in and identification and to familiarize you with the test process. If you arrive late, you may not be admitted to test and you will forfeit your registration fee.

Required Identification

You **must** provide two forms of identification. One must be a VALID form of government-issued identification (Driver's License, State ID, Passport, Military ID) which bears your signature and has your photograph or a complete physical description. The second ID must have your signature and preprinted legal name. All identification provided must match the name on the registration form.

If you cannot provide the required identification, you must call (800) 73-9267 at least three weeks prior to your scheduled appointment to arrange a way to meet this security requirement. Failure to provide ALL of the required identification at the time of the examination without having notified PSI and making appropriate alternative arrangements is considered a missed appointment. Lack of identification means you will not be able to take the examination at that time and you will forfeit your examination fee.

Inprocessing

After you sign in and present the required identification, the proctor will issue you the following test materials.

- ☐ Scratch paper
- ☐ Test question review sheet
- ☐ Candidate comment survey form

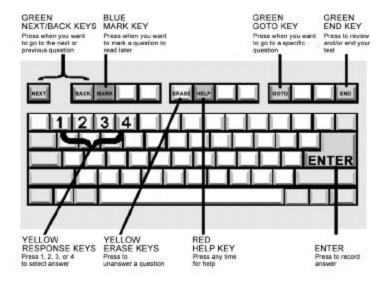
Security Procedure

The following security procedures will apply during the examination:

- Notes or books are not allowed.
- You may not exit the building during the examination.
- Cell phones, pagers, and children are not allowed in the examination center.
- Only nonprogrammable calculators that are silent, batteryoperated, do not have paper tape printing capabilities, and do not have a keyboard containing the alphabet will be permitted.
- Smoking, eating, or drinking is not allowed in the examination center.
- Copying or communicating examination content is a violation of security regulations. Either one may result in the disqualification of examination results and may lead to legal action under copyright laws.

TAKING THE EXAMINATION

Taking the examination by computer is simple. You do not need any computer experience or typing skill. You will use fewer keys than you use on a touch-tone telephone.



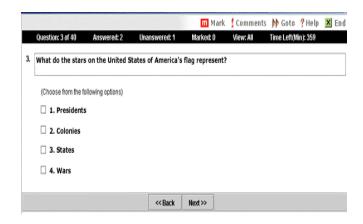
Upon completion of your identification processing, you will be directed to a semiprivate computer testing station to take the exam. When you are seated at the testing station, you will be prompted as shown below to confirm your name, identification number, and the examination for which you are registered.

Before you start your exam, an introductory tutorial to the computer and keyboard is provided on screen. The time you spend on this introduction will **NOT** count as part of your exam time. You may plan to spend approximately 15 minutes with the tutorial; additional tutorial time is allowed if required.

During the examination, the minutes remaining will be displayed at the bottom of the screen and updated as you record your answers.

A sample question display follows. During the examination, you would press 1, 2, 3, or 4 to select your answer or press? to mark it for later review. You would then press ENTER to record your answer and move on to the next question. You can change your answer as often as you like.

Sample Question Display



Once you have responded to the last question in the examination, if you have time remaining you can review all of the questions in the examination, review only those questions which you marked for review, or end your examination and see your results immediately. During the review options, you may change your answers. The review options may be repeated as time allows.

SCORE REPORTING

In order to pass the examination, you will need to at least have 67 correct answers out of 100.

The following summary describes the score reporting process:

<u>On screen</u> - Your score will appear immediately on the computer screen. This will happen automatically at the end of the time allowed for the examination; if you are using review features, you will be able to obtain your score immediately when you indicate that you have finished and would like to see your results.

If you <u>pass</u>, you will immediately receive a successful notification on the screen. License application forms for submittal to the Department of Office of Financial Institutions will be available at the test center.

If you **do not pass**, you will immediately receive an unsuccessful notification on the screen along with a diagnostic report indicating your strengths and weaknesses by exam type. Registration forms for submittal to PSI to retake the examination will be available at the test center.

<u>On Paper</u> - All testers will receive an official score report at the test center after the examination.

Duplicate Score Reports

You can write to PSI to request a duplicate of your score report for up to one year after your examination. The fee for a duplicate copy of your score report is \$15.

LICENSE APPLICATION

To continue your license application, you must submit your passing score report to the Louisiana Office of Financial Institutions.

License Application Fee

All application fees are payable to the Louisiana Office of Financial Institutions in the appropriate amount listed below. The appropriate fee(s) must accompany the application.

 $\label{linear limit} \textbf{License application fees are separate from the testing fee}.$

NOTE: License fees are nonrefundable.

Loan Originator \$100

Submit completed application and fee(s) to:

Mailing Address:

Louisiana Office of Financial Institutions

PO Box 94095

Baton Rouge, Louisiana 70804-9095

Physical Address:

Louisiana Office of Financial Institutions

8660 United Plaza Blvd., 2nd Floor Baton Rouge, Louisiana 70809-7024 www.ofi.state.la.us

(225) 925-4660

(225) 925-4548 Fax

To obtain more information on licensing requirements, contact OFI or visit their website at **www.ofi.state.la.us**. DO NOT CONTACT PSI.

NOTE

It is advisable to keep these instructions for future reference, along with copies of your application and other related documents.

LOUISIANA MORTGAGE LOAN ORIGINATORS LICENSING EXAMINATION REGISTRATION FORM

Be sure to read the Candidate Information Bulletin before filling out this form. You must provide <u>all</u> information requested and submit the appropriate fee. PLEASE TYPE OR PRINT LEGIBLY. Registration forms that are incomplete, illegible, or not accompanied by the proper fee will be returned unprocessed.

	unprocesseu.
1. LEGAL NAME	
	Last Name (Jr.,III)
	First Name Middle Name
2. SOCIAL SECURITY N	UMBER - GOOD - G
3. MAILING ADDRESS	
	Number, Street Apt. No.
	City State Zip Code
4. PHYSICAL ADDRESS	
(must complete)	Number, Street Apt. No.
'	_ City State Zip Code
5 EMAIL ADDRESS	
5. EMAIL ADDRESS	
6. TELEPHONE Hom	oe Office Office
7. BIRTH DATE	M M D D Y Y
8. TEST: ☐ Loan Orig	ginator (\$100) 9. FEE
	☐ First Time ☐ Retake ☐ \$100
10. SPECIAL ACCOMMO	ODATIONS I am requesting special accommodations and I am enclosing documentation from a licensed health care provider or other qualified individual. Yes No
11.	
I HAVE READ THE CANI	DIDATE INFORMATION BULLETIN AND AM FAMILIAR WITH THE INFORMATION PRESENTED IN IT AND THIS EXAMINATION REGISTRATION FORM.
Signati	ure Date
YOU	MUST SIGN AND DATE THIS REGISTRATION FORM IN ORDER TO BE TESTED.
Т	REGISTRATION PROCEDURES To register BY MAIL, complete and send this form with the applicable fees to the address below.
	PSI licensure:certification • ATTN: Exam Registration LA OFF
Fees payable to	3210 E Tropicana • Las Vegas • NV 89121• WWW.PSIEXAMS.COM o PSI may be made by (1) cashier's check, (2) company check, or (3) money order. Please note your Social
Security Numb	ber on your check or money order. Cash and personal checks are NOT accepted. Registration fees are not and are transferable only as described in the bulletin.
To register BY FAX, complete	redit card information and signature) and call:
□ MC □ VISA	Account No Expiration Date
Name on Card (Print)	Signature

PSI licensure:certification 3210 E TROPICANA LAS VEGAS, NV 89121

FIRST CLASS MAIL

To speed up your registration processing, please write on the outside of the envelope "ATTENTION: Examination Registration LA OFI".